



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center  
77 W. Jackson Blvd., Room 2401  
Chicago, Illinois 60604-3507  
Phone: (312) 353-6236 Fax: (312) 886-6413

**MAY 07 2009**

MEMORANDUM FOR: Thomas Marshall, Director, Office of Public Housing, 5DPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

SUBJECT: Approval for the Youngstown Metropolitan Housing Authority's (YMHA) Request  
for Partial Disposition of 1.47 Acres of Vacant Land at Westlake Homes,  
OH002000100

The SAC received this application on May 8, 2008, via the Public and Indian Housing Information Center (PIC), DDA0003135. Supplemental information was received through April 15, 2009. The Environmental Assessment was completed by the City of Youngstown on October 17, 2003, in accordance with 24 CFR, Part 58, and signed off by the Cleveland HUB on December 6, 2006.

The Cleveland HUB provided a certification stating that the subject submission accurately describes the project proposed for disposition, and the reasons provided by the Youngstown Metropolitan Housing Authority (YMHA) to support the proposed action are correct and factual.

Under 24 CFR Part 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide "A certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part." On August 3, 2007, the Cleveland HUB approved the YMHA's agency plan, which includes the subject action.

**Description of Development**

The YMHA proposed the disposition of 1.47 acres of vacant land at Westlake Homes, OH002000100. Details of the proposed disposition are as follows:

Westlake Homes, OH002000100 DOFA:07/07/1948	
Existing Land	12.00 Acres
<b>Proposed Land</b>	<b>1.47 Acres</b>

Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments	1,580
---	-------

### History of the Development

The YMHA has received approval from for the following removal actions at the development. The subject development was formerly known as Westlake Terrace, OH002001:

Development Number	Removal Type	Number of Units Approved	Number of Acres Approved	Date of Approval
OH002001	Demolition	12	0	06/03/1992
OH002001	Demolition	289	0	10/25/1996
OH002000100	Disposition	2.0094	0	11/24/2003
OH002000100	Disposition	7.75	0	03/2/2005
OH002000100	Disposition/ Demolition	90	7.4	11/21/2006

### Reasons for Action (Justification)

The YMHA proposed the disposition based on 24 CFR Part 970.17, which requires that the PHA to certify that the retention of the property is not in the best interest of the residents or the PHA because the PHA has otherwise determined the disposition to be appropriate for reasons that are consistent with the goals of the PHA and the PHA Plan and that are otherwise consistent with the Act.

The YMHA proposes partial disposition that includes 1.47 acres of vacant land to the Community Housing Options Involving Cooperative Efforts, Inc (CHOICE) Homes, via a negotiated sale at less than Fair Market Value (FMV). The terms of the disposition include at long-term ground lease for 99 years at a nominal amount per year (\$1.00). The CHOICE Homes, Inc., a local developer, will construct 40 senior rental units targeted for families with incomes at or less than 60 percent of Area Median Income (AMI). The 40-unit senior building will consist of 30, 2-bedroom units and 10, 1-bedroom units. The new complex will include spacious units with modern facilities in a planned community that can better meet the needs of today's senior residents. The units will be funded through a combination of Low-Income Housing Tax Credits (LIHTC) and other sources. The new low-rise building will offer necessary accessibility and services to reach the growing senior population in need of affordable housing in a safe and decent neighborhood. Through this disposition, the YMHA will have a greater opportunity to provide and increase affordable housing for low-income seniors in the community. We concur with the YMHA's determination that the disposition is in the best interest of the residents and the public housing agency and is consistent with the goals of the YMHA and the YMHA's agency plan and otherwise consistent with the Act.

### **Appraisal**

The YMHA submitted an appraisal with the application. Matthew D. Fischer, an independent appraiser determined the FMV January 31, 2008, is estimated to be \$60,000.

### **Negotiated Sale**

The YMHA proposed the disposition via negotiated sale at less than FMV to the CHOICE. The terms of the disposition include a 99-year ground lease with a lease rate of \$1.00 per year.

### **Commensurate Public Benefits**

The YMHA proposed the disposition via a negotiated sale at less than FMV to the CHILCHDO, via a 99-year ground lease at \$1.00 per year. Per the application, this disposition allows for the redevelopment of an affordable senior facility in a new and planned neighborhood. Per the application, the elderly currently comprise 25 percent of the City of Youngstown's population and 27 percent of the County's. The CHOICE will develop the subject site with 40 senior rental units targeted for households with incomes at or less than 60 percent of AMI. The new units will be located in close proximity to public transportation, shopping and medical facilities. Therefore, although the negotiated sale price is less than FMV, because of the benefits arising from negotiated sale, it is in the best interest of the public housing residents and the PHA, and will result in a commensurate public benefit, as required in 24 CFR, Section 970.19.

### **Use of Proceeds**

According to the Office of the Chief Financial Officer, there is no outstanding debt for Westlake Homes, OH00200100 (formerly known as OH002001). The YMHA will not realize any proceeds from this disposition.

### **Relocation**

The disposition is for vacant land only; therefore, relocation is not applicable.

### **Resident Consultation**

1. Project Specific Resident Organization: West Lake Terrace Resident Council (WLTRC)
2. PHA-wide Resident Organization: None
3. Resident Advisory Board (RAB) in accordance with 24 CFR, Section 903.13: Resident Advisory Board (RAB)

24 CFR, Section 970.9 requires that an application for disposition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity. Per the application, the YMHA has held multiple meetings to discuss the redevelopment of the proposed site. Resident consultation was achieved during the meetings held on February 20, 2008 and March 19, 2008, in which this action was discussed. The YMHA held a meeting with the RAB on March 19, 2008 to discuss this activity. The application states that the WLTRC, RAB and other interested parties were invited to attend all the meetings in which this action was discussed. The YMHA held one public hearing to provide information regarding the PHA plan. The application included copies of the meeting announcements, sign-in-sheets and meeting minutes.

24 CFR Part 970.9(b)(1) requires submission of any written comments, and the PHA's evaluation of the written comment with the application package. The YMHA did not receive any written comments.

### **Offer for Sale to the Resident Organization**

24 CFR Part 970.9(b)(1) of the regulation requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The YMHA has chosen not to provide an opportunity based on the exception found in 24 CFR Part 970.9(b) (3). (ii) "A PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, mixed-finance housing under 24 CFR part 941 subpart F, or other types of low-income housing)". We concur with the YMHA's determination that it has complied with the requirements of 24 CFR Part 970.9.

### **Board Resolution**

As required by the 24 CFR, Part 970.7(13), the YMHA's Board of Commissioners approved the submission of the application for disposition of the proposed property April 14, 2008, via Resolution 1408. The last resident consultation was on March 19, 2008. The last consultation with the local government took place on April 13, 2009.

### **Mayor/Local Government Consultation**

The application states that the YMHA has consulted and worked with the local government officials since 2006 regarding the demolition and disposition of West Lake Homes, OH002000100. As required by 24 CFR, Part 970.7(14), the application package includes a letter of support from Mr. Jay Williams, the Mayor of the City of Youngstown, dated April 13, 2009.

### Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR, Part 970, including requirements related to resident consultation and opportunity to purchase the property by the resident organization. Based upon our review, and finding that the requirements of 24 CFR, Part 970 and Section 18 of the Act have been met, the proposed disposition, as described in the application and identified below, is hereby approved.

Westlake Homes, OH002000100			
Acres: 1.47			
Total Units to be Redeveloped: <b>40</b>	Less than 60 % of Area Median Income		
	ACC	Non-ACC	Market Rate
Rental	0	40 (LIHTC)	0
Acquiring Entity	CHOICE Homes, Inc. (local CHDO)		
Method of Sale	Ground Lease for 99 Years		
Lease Price	\$1.00 per year		
Purpose	Development of LIHTC elderly-only housing with supportive		

The approval requires that the disposition documents include a clause stipulation that if the CHOICE Homes, Inc (local-CHDO), fails to develop the property as outlined in the application, the lease will terminate.

### PIC and Monitoring

The YMHA must enter the enter the “actual” acres and dates of disposition directly into the Inventory Removals sub-module, for the Cleveland HUB approval, so the status can be changed to removed from inventory.

It is the Cleveland HUB’s responsibility to monitor this activity based on its latest risk assessment. The Cleveland HUB must verify that the actual data is being entered by the YMHA as the actions occur.

Upon completion of disposition the Cleveland HUB has the responsibility to amend the Annual Contributions Contract and/or release the parcel from the Declaration of Trust, as applicable and update PIC to reflect the approved action as appropriate.